



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 7, 2025


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION

In re:	§	
	§	
MCCLAIN FEED YARD, INC.,	§	Case No.: 23-20084-rlj7
	§	(Jointly Administered)
Debtors. ¹	§	
_____	§	_____
	§	
Rabo AgriFinance LLC,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Adversary No. 23-02005
	§	
Acey Livestock, LLC, Michael Acey,	§	
Arnold Braun Trust, Arnold Braun, Robert	§	
Braun, Bar D Ranch Land & Cattle LLC,	§	
N. Terry Dicks, Barrett's Livestock Inc.,	§	
Don Ralph Barrett, Dora Blackman, Bryan	§	
Blackman, Eddie Bryant, Joe Burnett,	§	
Buss Family Trust, Edwin D. Buss,	§	
Dennis Buss, Colette Lesh, Curtis Jones	§	
Farms, DAC83 LLC, Don Jones Farm,	§	
Inc., Don Jones Trucking, Inc., Dufurrena	§	
Cutting Horses, Edward Lewis Dufurrena,	§	
Rieta May Dufurrena, Michael Evans,	§	
Douglas Finley, Gene Brookshire Family,	§	

¹ The Debtors in these jointly administered cases are McClain Feed Yard, Inc. (Case No. 23-20084-rlj7), McClain Farms, Inc. (Case No. 23-20085-rlj7), and 7M Cattle Feeders, Inc. (Case No. 23-20086-rlj7).

LP, Joel Brookshire, Gray Brothers Cattle,	§
Robert Gray, Ronnie Gray, Jimmy Greer,	§
Gungoll Cattle, LLC, Bradley Gungoll,	§
Leah Gungoll, Hines Cattle Company,	§
LLC, Hines Farms, LLC, A.J. Jacques	§
Living Trust, Cory Jesko, Dwight Jesko,	§
Dustin Johnson, David Johnson, Kinsey	§
Jones, Janice Lawhon, Jan Lesh, Morrison	§
Cafe, LLC, Lesh Family Trust, Gary Lesh,	§
Jared Lesh, Jordan Lesh, LLC, Charles	§
Lockwood, Cole Lockwood, Sherle	§
Lockwood, Nikki Lockwood, Natalie	§
Martus, Open A Arena LLC, Sonny	§
Barthold, Rapp Ranch, Jim Giordano,	§
Riley Livestock, Inc., Angie Robinson,	§
Rick Rodgers, Steve Ryan, Jim Rininger,	§
Scarlet & Black Cattle, LLC, Colton Long,	§
Scott Livestock Company, Shaw & Shaw	§
Farms Partnership LLC, The University of	§
Florida, Robert J. Spring, Steve T Scott	§
Farms, Inc., Amy Sutton, Craig Sutton,	§
Thorlakson Diamond T Feeders, LP, John	§
Tidwell, Mykel Tidwell, John Tindal,	§
Janet VanBuskirk, Lyndal VanBuskirk,	§
Susan VanBuskirk, Colby VanBuskirk,	§
Cameron Weddington, and Kent Ries as	§
Chapter 7 Trustee,	§
	§
Defendants.	§

ORDER

Rabo AgriFinance LLC, by its motion, is asking that the Court grant partial summary judgment in the form of declaratory relief that the defendants here—the claimants both against the debtors and to the so-called Dealer Trust Funds—do not have valid claims to the approximately \$2.6 million in funds held by the chapter 7 trustee, Kent Ries, in the consolidated debtor cases.²

² The “Dealer Trust Funds” are the proceeds of livestock sales that the USDA determined were subject of the Dealer Trust Statute, 7 U.S.C. § 217b.

It is not disputed that the USDA³ issued its report concluding that \$122 million in claims (from more than 100 claimants) were made to the USDA under the Dealer Trust Statute, 7 U.S.C. § 217b; that seven claims in the total amount of about \$2.9 million are valid claims; that just over \$2.6 million in proceeds are from qualifying cattle sales and thus are “trust assets” under the Dealer Trust Statute; and, pertinent to its summary judgment motion, \$119 million of submitted claims are “invalid” claims under the statute. Rabo is specifically asking the Court to grant it summary judgment in the form of declaratory relief confirming the invalid claims are indeed improper claims under the Dealer Trust Statute and thereby resolve the question of their validity as an issue in Rabo’s action here.

The Court, principally on the point made by the Jones Defendants,⁴ denies summary judgment. Rabo’s First Amended Complaint recites that “an actual and live controversy” exists between Rabo, the Dealer Trust Claimants, and the Trustee “as to the proper recipient of the [bankruptcy estate funds], the existence of any liens or encumbrances against the [funds], and the applicability of the Dealer Trust Statute.” ECF No. 3 ¶ 175.⁵

The Jones Defendants argue summary judgment is improper because the summary judgment evidence reveals no “concrete or particularized injury” to Rabo and thus Rabo lacks standing to seek relief on the issues subject of the summary judgment. The Court agrees. The summary judgment evidence includes the findings of the USDA. The findings, as summarized above, clearly provide that there are \$2.6 million in trust funds against which there are \$2.9 million in valid claims. (The chapter 7 trustee is presently holding the \$2.6 million.) For purposes of the summary judgment, such findings support the inference that Rabo’s claim—and

³ “USDA” refers to the United States Department of Agriculture.

⁴ The “Jones Defendants” are defendants Curtis Jones Farms, Don Jones Farm, Inc., Don Jones Trucking, Inc., Kinsey Jones, Hines Cattle Company, LLC, and Hines Farms, LLC.

⁵ “ECF No.” refers to the numbered docket entry in the Court’s electronic case file for Adversary No. 23-02005.

liens that secure its claim—do not attach to the \$2.6 million of proceeds that are held “in trust” for the benefit of the *valid* trust claimants.

As the Jones Defendants argue, if it is later determined, upon trial or other dispositive relief, that the USDA’s report is exactly right, then it would thereby establish that Rabo never had standing for its action here. The Court is not here concluding that Rabo does not have standing on its action here. Rather, the Court concludes that the summary judgment evidence fails to support a conclusion that Rabo has standing to obtain the relief it seeks now. *See* Fed. R. Civ. P. 56; *see also TransUnion LLC v. Ramirez*, 594 U.S. 413, 431, 141 S. Ct. 2190, 2207–10 (2021) (plaintiff must demonstrate standing for each claim asserted and for each form of relief sought).

It is, therefore,

ORDERED that Rabo’s motion for partial summary judgment is denied.

End of Order

Rabo AgriFinance LLC,
Plaintiff
Acey Livestock, LLC,
Defendant

Adv. Proc. No. 23-02005-rlj

CERTIFICATE OF NOTICE

District/off: 0539-2

User: admin

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The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Feb 09, 2025:

Recip ID	Recipient Name and Address
tr	+ Kent Ries, Attn: Hudson M. Jobe, 2001 Bryan Street, Suite 1800, Dallas, TX 75201 UNITED STATES 75201-3070
dft	+ Kent Ries, 2700 S. Western St., Suite 300, Amarillo, TX 79109-1536

TOTAL: 2

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustpreion06.da.ecf@usdoj.gov	Feb 07 2025 21:29:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996
ust	+ Email/Text: ustpreion07.au.ecf@usdoj.gov	Feb 07 2025 21:29:00	United States Trustee - AU12, United States Trustee, 903 San Jacinto Blvd, Suite 230, Austin, TX 78701-2450
ust	+ Email/Text: USTPRegion07.SN.ECF@usdoj.gov	Feb 07 2025 21:29:00	United States Trustee - SA12, US Trustee's Office, 615 E Houston, Suite 533, San Antonio, TX 78205-2055

TOTAL: 3

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Feb 09, 2025

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on February 7, 2025 at the address(es) listed below:

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Dawn Whalen Theiss	on behalf of Interested Party mp U.S. Department of Agriculture dawn.theiss@usdoj.gov brooke.lewis@usdoj.gov;CaseView.ECF@usdoj.gov
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